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THE WARTIME DIFFICULTIES OF NORTH VIETNAM

Introduction

By dint of its aggressive policies, Hanoi has helped create and sustain a formidable Communist war machine in South Vietnam. The cost of this aggression has been great, however, for it has created difficulties, strains, and problems in almost every sector of the North Vietnamese economy, its society, and body politic. Some of these difficulties become more severe for the North Vietnamese as each day in the war goes by.

None of the problems has as yet become acute enough to reduce or restrict the number of ways by which Hanoi can choose to support the war in the South. Nevertheless, it is clear that the pressure on policy makers in Hanoi is growing. When the ground war begins to turn decisively against the Communists, the grinding cost to the North of backing a losing struggle in the South may well be of considerable importance in closing out some of Hanoi's options and ultimately in forcing a decision to end the fighting or to negotiate.

During the early years of the insurgency, the Vietnamese Communists fought at negligible cost to North Vietnam itself. The Viet Cong's political apparatus and its military forces were almost entirely composed of ethnic southerners. The insurgents lived off the land and obtained a large proportion of their supplies, including weapons and ammunition, from pre-1954 caches or by capture from GVN forces.

While the war ravaged the South, North Vietnam's own territory and economy were untouched. Since 1964, however, all of this has changed as a result largely of Hanoi's continued expansion of the insurgent effort and by dint of the allied response in the form of sustained aerial bombardment of North Vietnam.

A drastic increase in the North Vietnamese investment in the war has been required. On a population base of around 18 million, North Vietnam is now supporting a military

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establishment of at least 400,000, an increase of one third to one half in its military strength of two years ago. Furthermore, to sustain its commitment, North Vietnam has undergone partial mobilization and has had to divert at least 350,000 laborers to military or war-related tasks. North Vietnam's economy has been dislocated, its transportation system disrupted, and the personal lives of its citizens adversely affected.

These strains on manpower in North Vietnam have resulted from the regime's inability to manage the movement of people effectively in the face of the war requirements, from a relative scarcity of technicians and skilled laborers, and from an excessive drain on the agricultural labor force to support other war tasks. Needs in the future will be met at increasing costs in terms of normal economic, educational, and social activities.

There are strong indications that the 1966 grain harvest in North Vietnam--the country's major source of food--will fall short of that in 1965, partly as a result of wartime difficulties. Although no famine is likely, the populace will have to tighten its belt another notch during the coming winter. Apart from food shortages, the war has forced almost every segment of the civilian population of North Vietnam to make some sacrifice in its standard of living. Personal and property losses have been incurred, there are shortages of consumer goods, and there has been a sharp decline in incomes as a result of the disruption of normal economic activity.

The cumulative debilitating effect of the bombing and the dislocation of resources due to Hanoi's war effort had already slowed down industrial growth in North Vietnam during 1965. There will probably be no industrial growth during 1966 and some plans for economic development will have to be deferred. Although these difficulties will not materially impede support of the war effort in the South they will play a role in Hanoi's postwar recovery, leaving the regime with problems for years to come.

One of the most drastic consequences of the war suffered by the North Vietnamese has been the heavy disruption of the relatively small, but important, North Vietnamese sea trade with the Free World. In 1965, an average of 21 Free World

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ships per month arrived in DRV ports. During the last three months, however, only an average of three such ships per month has called at North Vietnamese ports.

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Agricultural Difficulties

There are strong indications that the 1966 grain harvest in North Vietnam--the country's major source of food--will fall short of that brought in during 1965 owing to a variety of natural causes, complicated by the effort of the regime to meet the needs of the war effort. North Vietnamese spring rice crop--which normally constitutes about one third of the DRV's annual grain yield--clearly fell short of that garnered in 1965.

According to press reports the acreage planted for the spring harvest was below normal in large part because of the dislocation and personnel difficulties resulting from the war effort. The crop also suffered from drought and insect damage. The success of substitute crops, such as manioc, planted to compensate for the rice shortfall is not entirely known, but apparently was not too good.

In May, Pham Hung, a member of the party politburo and director of a financial and trade office in the government, stated that the prices of food on the free market had already started to rise because of setbacks in the spring harvest and that "some comrades doubt it will be possible to stabilize the situation in the forthcoming period."

It is too early to tell how well the tenth-month crop which provides the remaining two-thirds of the grain harvest will turn out. However, the regime has not been predicting great things for the crop and its silence on the matter suggests that it does not expect a bumper yield.

Thus, it is highly likely that food supplies will remain short during the coming winter. The people may have to tighten their belt another notch while the regime continues its policy of diverting resources into support of aggression in South Vietnam. In part, the problem of food is one of distribution. With the logistic system damaged by bombing, and the priority use of the system for movement of war-related supplies, the movement of food from production areas to populous regions often takes second place.

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Industrial and Logistic Difficulties

The cumulative debilitating effects of the bombing and the dislocation of resources due to Hanoi's war effort had already slowed down growth in industry in North Vietnam during 1965. According to Hanoi the gross value of industrial output increased 8 percent in 1965, versus 10.7 percent in 1964. There will probably be no growth in industry during 1966 and some plans for economic development will probably have to be abandoned. Although the volume of output in industry seems to have held up reasonably well, there are signs that wasteful use of manpower and materials have contributed to a decrease in quality and an increase in costs.

Local industry, which accounts for almost half of all industrial output, has received considerable emphasis in development since early 1965. In August, however, Hanoi noted that the output of local industry in the first half of 1966 remained at about the same level as in the first half of 1965. Although the stagnation of industrial growth will have no overriding effect on Hanoi's ability to wage a war which, for other than manpower, is essentially sustained by inputs from outside North Vietnam, it will dictate a slowdown and stretch-out in postwar economic development in North Vietnam which will cause problems for Hanoi for many years to come.

The aerial attacks against lines of communication, bridges, and transportation equipment targets in North Vietnam have caused direct losses of over $30 million to Hanoi, in terms of the costs to reconstruct the facilities. Some 45 bridges or 20 percent of all the bridges on the rail lines subjected to air attacks, have been damaged or destroyed, along with damage or destruction to some 200 highway bridges. Losses of transportation equipment, particularly motor trucks, have increased sharply in recent months. By major repair efforts and substitute transport measures the North Vietnamese have managed to keep the essential war supplies moving. The effort however, has been difficult and problems have been encountered in nearly every sector of the logistic system as Hanoi attempts to maintain it.

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The Manpower Drain

North Vietnamese escalation of the conflict and response to the allied bombing of the North has placed major strains on Hanoi's manpower resources. During the past year a minimum of 125,000 persons were called for military duty in North Vietnam. To this number can be added at least 25,000 North Vietnamese Army personnel who have infiltrated into South Vietnam. Thus, over 150,000 persons were called into Hanoi's military service during 1966, or about 70 per cent of the number of physically fit males who reached draft age during 1965 and 1966.

Although this drain on manpower resources would not assume critical proportions in numerical terms even if the total North Vietnamese armed forces should be expanded from its present level of around 400,000 to some 500,000, it is a highly significant diversion of the young men of the country. By removing them from normal civilian channels of work and study, the regime, in order to pay for the war in South Vietnam, has heavily mortgaged its future progress in building its economy and its society.

In addition to the manpower drain for military service, the North Vietnamese have had to reallocate labor to repair or reconstruction activities and to tasks associated with dispersal programs and emergency activities. These programs require the full-time services of at least 200,000 workers and the part-time utilization of another 100,000. An additional diversion of the labor force results from the obligation of some 150,000 persons to fulfill civil defense obligations on a part-time basis. Thus, excluding the part-time diversions of labor, the measurable mobilization of manpower to date for military duty or war-associated tasks involves a minimum of 350,000 persons.

Although this diversion has not dried up the pool of excess labor in North Vietnam, major pressures have been created on the regime by dint of its inability to manage the diversion and application of manpower effectively, by a relative scarcity of skilled manpower, and by an excessive drain on the agricultural labor force. The management problems reflect the difficulties associated with a rapid transfer of masses of low-level workers to essential wartime tasks. The transfers which have been effected so

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far have been disorderly and poorly planned. The regime admitted that the drain of manpower from agriculture was an important factor in this year's disappointing fifth-month harvest.

Skilled manpower resources in North Vietnam total about 300,000 workers or only about three percent of the civilian labor force. This total is inadequate to meet all the requirements of mobilization and normal economic activity. Water conservation, which is vital to agriculture, is one area where the shortage of skilled manpower seems to be particularly acute. In the spring of 1966, the regime noted that it had become difficult to man water conservation brigades because of the loss of cadres to wartime tasks.

The regime is clearly concerned over manpower problems in the agricultural field. In February 1966, Hanoi indicated that it felt the agricultural labor force could remain stable at about seven million persons, that annual withdrawals would be almost exactly balanced by the normal annual addition to the work force. By April of 1966, however, the regime had apparently concluded that this balance was too low and that a reallocation of labor back into agriculture was necessary. It is not known whether this reallocation has been made. However, the disappointing fifth-month harvest makes it likely that the regime will be compelled to provide more agricultural manpower in order to achieve a successful tenth-month harvest.

If the tenth-month harvest is unsuccessful, it would probably necessitate an even greater commitment of manpower to agriculture. This probably could not be accomplished without disrupting the operations of other sectors of the economy, particularly if the reallocation of manpower to agriculture involves large numbers of skilled workers.

As the war continues, North Vietnamese manpower requirements can only be met by increasing cost to normal economic, educational, and social programs. The manpower going into the armed forces and to South Vietnam, moreover, is in qualitative terms probably the best the country can muster. Its loss over the long term is not one to be borne lightly by any power.

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Civilian Hardships

Almost every segment of the civilian population of North Vietnam has been forced to make some sacrifice in its standard of living as a result of Hanoi's decision to press on with full-scale support of the war in South Vietnam, and the resultant bombing of the North by the allies. Civilians living in the southern part of the country--about 15 percent of the population-- have suffered the greatest hardships in the form of personal and property losses, shortages of consumer goods, and sharp declines in income resulting from interruption of normal economic activity.

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Data released by the Ministry of Labor in the spring of 1966 on the excessive rates of absenteeism among construction workers in the southern provinces reflects the lowered morale there. Absenteeism due to illness among construction workers engaged in repair work on the transportation system in the southern part of the country averaged 16.3 days per worker in 1965 or five percent of total working days scheduled.

Elsewhere, the hardships caused by evacuation from urban centers, splitting of families, reductions in quality of consumer goods and services, increases in work hours largely without additional compensation, and losses of income resulting from transfers from normal jobs to lower paying defense-related tasks are less severe but have created considerable anguish. A March 1966 Hanoi press report stated that a decline in the health and morale of workers at the country's second largest machinery plant--the Tran Hung Dao plant in Hanoi--had occurred due to the increase in regular working time and in outside duties.

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gradual uprooting of most of the non-essential population in the city and a relocation of these people in rural areas where, hopefully, they will add to the local labor force. Aside from disruption of personal livelihood, the regime has admitted that the relocations have placed additional strains and burdens on food and other supplies in the countryside. The same

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situation, reports indicate, prevails in other areas of the country where the populace has been removed from urban areas.

There has also been good evidence of regime concern over some breakdown in discipline among party and government cadre under the strains of the war. An article in the party magazine in April 1966, for example, called for "harsh disciplinary measures" against cadres who failed to carry out party policies correctly. Some consideration has also been given by the regime to a revision of the legal code dealing with the protection of state property and the rights and duties of citizens "in order to satisfy the demands of wartime "

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The Decline in Free World Shipping

One of the most drastic consequences of the war for the North Vietnamese has been the heavy disruption of their relatively small, but important sea trade with the Free World. In 1965, an average of 21 Free World ships per month arrived in DRV ports. During the last three months, however, only an average of three such ships per month has called at these ports. Since January of this year, Free World shipping to the DRV has dropped to more than 50 percent below the average maintained during 1965. The principal cause of this decline has been the formal and informal restrictive steps taken by the governments of several of the major Free World shipping nations. Most of the Free World ships still trading with the DRV are under time charter to Communist China or are owned by companies controlled by Peking. 25X1

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Finally, the decline in Free World shipping to the DRV has reduced the amount of consumer goods normally available for the populace. This is particularly onerous since most of the imported consumer goods cannot be replaced by North Vietnamese manufactured items even at higher prices.

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Strains in the Leadership

Bits and pieces of information from Hanoi, taken together with the speeches and articles of North Vietnamese leaders, suggest that the support of the war in South Vietnam has created some strains among the inner circle of Hanoi's political and military bosses. The latest hints of disputation appeared in a series of articles which were clearly the public reflection of a private debate over the proper military strategy in South Vietnam. The debate does not appear to involve the question of whether to fight or to quit, but rather of how best to defeat the US in the military sphere.

Openly on one side of the argument is politburo member Nguyen Chi Thanh, who [redacted] 25X1
25X1 [redacted] is directing the Communist war effort in the South. The chief protagonist of the other side--although this is less clear--may be Vo Nguyen Giap, Hanoi's long-time and respected minister of defense. The debate apparently started in mid-1965 when the big build-up in US combat forces started to hurt the Communists.

It appears that some of the Hanoi leaders, probably including Giap, questioned whether the insurgent forces were capable of taking the offensive at that time with persistent, large-scale, and sustained attacks on US combat forces. They apparently suggested a shift to a basically defensive strategy that would emphasize the raiding and ambush tactics of guerillas in an effort to hold position while shielding the regular Communist units from heavy casualties. During the holding operation, the Communists would lay long-range plans for countering the US build-up.

Recent articles by Thanh suggest that he opposed this strategy in the fear that it would allow the allied forces to obtain an initiative and a momentum which the Communists would find hard to overcome. He appears to have proposed instead a continuation of the use of main force Communist units as often as possible to blunt the offensive striking power of the allied forces. A decision was apparently taken finally to proceed in basically the same operational military style used before the US build-up began.

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The failure of the Communist forces to regain the initiative during the dry season ending in the spring of 1966 apparently brought on an extended policy review in Hanoi at which time the debate over proper offensive strategy was probably renewed. The recent articles by Thanh, Giap, and their supporters suggest that the question of basic tactics for the forthcoming dry season (November 1966 to May 1967) is still to be decided.

Although differences are at present not such as to bring about a critical rupture in the unity of the leadership--the Communists, for example, are conducting the military campaign in the South largely as they have always done regardless of the arguments over strategy--such debates do cause difficulties which may become of major importance if the war begins to go decisively against the insurgents.

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MEMORANDUM FOR: [redacted] STAT

These are copies of the memo that went to Mr. Jorden of the White House on Saturday [redacted] Original drafts are attached. Distribution was

Orig and one to Mr. Jorden
One to [redacted]
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